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EIC-M-35

ECONOMIC INTELLIGENCE COMMITTEE

Minutes of Meeting Held in
Room 1514, Temporary "M" Building
26th and Constitution Avenue, N. W.

20 April 1954

PRESENT

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[REDACTED], CIA, Vice Chairman, Presiding

CIA

CIA

Col. William C. Baird, Air Force

CIA

Mr. H. S. Bennett, Navy

Col. Lyman Bothwell, Army

Mr. Edward Doherty, State

Mr. John Easton, JCS

CIA

, CIA

Mr. Joseph Harary, State

Mr. Duncan Holmes, Army

Mr. Howard Wiedemann, State

, CIA, Executive Secretary

CIA, Principal Staff Economist

CIA, Staff Economist

APPROVAL OF MINUTES

1. Action: The minutes of the Economic Intelligence Committee special meeting of 30 March 1954 (EIC-M-34) were approved, subject to certain revisions proposed and agreed to during the meeting. A copy of the revised minutes is attached. It was noted that the minutes of the regular Economic Intelligence Committee meeting of 11 March 1954 (EIC-M-33) were approved by interim action.

EIC-P-6, "ECONOMIC CAPABILITIES OF THE SOVIET BLOC TO SUPPORT A GENERAL WAR"

2. Action: The terms of reference prepared by the Working Group were approved, after a number of minor changes had been made. A copy of the terms of reference as revised and approved will be distributed to EIC members under separate cover. The Chairman of the Working Group proposed a tentative target date of 1 January 1955 for the final draft

of the report so that the final report can be submitted no later than March 1955. It was agreed that the representatives of the IAC agencies would advise the Secretariat within one week of their approval of this time schedule, or indicate any reservations they may have.

STATUS OF SELECTED EIC PROJECTS

3. Discussion: The Vice Chairman made the following announcements:

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b. EIC-R-10, "Economic Consequences of Curtailment and Subsequent Withdrawal of Foreign Economic Assistance to Yugoslavia", is in process of publication.

c. EIC-P-8, "Soviet Bloc's 1955-56 Military Transportation Capability to Launch and Support Campaigns into the Area between the Baltic Sea and the Alps", is under way. The target date has been extended from 15 May to 15 June 1954.

d. It was agreed by interim action on 18 March 1954 to drop the proposal for general distribution of letters similar to the information letter, dated 19 February 1954, which was circulated by the Subcommittee on Industrial Machinery and Equipment to interested division and branch chiefs of EIC agencies. (This information letter was discussed at the EIC meeting of 11 March 1954.)

e. Revised terms of reference for the Subcommittee on Industrial Machinery and Equipment, assigning to it responsibility for electrical motors, switchboard equipment, etc. were agreed to by interim action on 19 March 1954.

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a. the First and Second Annual Progress Reports of the Economic Intelligence Committee;

b. EIC-S-13, "Report of Government Sponsored External Economic Research Projects on the Soviet Bloc".

5. Action: It was agreed that the representatives of the IAC agencies would advise the Secretariat within one week of their concurrence in the release of the First and Second Annual Progress Reports, or would indicate any reservations they may have. It was agreed further that the EIC representatives would advise the Secretariat within ten days of their concurrence in the release of EIC-S-13, or indicate any reservations they may have.

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EIC-S-1/5, "PRIORITY DEFICIENCIES OF RESEARCH ON SOVIET BLOC POPULATION AND MANPOWER"

7. Action: The Committee approved the two Critical Deficiencies listed in the survey. It decided to delete the item listed under "Other Important Problems", "Economic Significance of Worker Morale in the Soviet Bloc". It was agreed that the Secretariat would consider this deficiency in consultation with possible consumers and with the appropriate subcommittees, and would then discuss the subject further with the EIC members.

EIC-S-1/6, "PRIORITY DEFICIENCIES OF RESEARCH IN THE FIELD OF GENERAL ECONOMIC ANALYSIS OF THE SOVIET BLOC"

8. Action: It was agreed that this survey would be discussed further by the Chairman and Executive Secretary of the Subcommittee on General Economic Analysis, Mr. Wiedemann of State, and the EIC Secretariat. After this discussion and the making of appropriate changes, the survey will be resubmitted to the EIC for concurrence.

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EIC-S-1/8(a), "PRIORITY DEFICIENCIES OF RESEARCH ON SOVIET BLOC
ELECTRONICS AND TELECOMMUNICATIONS EQUIPMENT PRODUCTION"

9. Action: This survey was approved with the exception of column 5. It was agreed that the Secretariat would revise this column, clarifying the ability of individual agencies to undertake the research required.

PROPOSED PROCEDURE FOR HANDLING EIC PRIORITY COLLECTION REQUIREMENTS
AND EIC-S-16/6(a), "PRIORITY DEFICIENCIES OF COLLECTION ON USSR
ELECTRONICS AND TELECOMMUNICATIONS EQUIPMENT PRODUCTION"

10. Action: This survey was approved and the EIC agreed to pass the survey to the Subcommittee on Requirements and Collation for preparation of a collection plan. It was the sense of the meeting that this procedure would be adopted on an experimental basis and that the collection plan would be submitted to the EIC for review and approval prior to implementation.

APPROVAL OF NEW CHAIRMAN OF SUBCOMMITTEE ON ELECTRONICS AND
TELECOMMUNICATIONS

11. Action: The committee approved the designation of Mr. Irving R. McConnell, Army, as the new chairman of the Subcommittee on Electronics and Telecommunications.

ANNOUNCEMENT OF NEW MEMBERS

12. Discussion: A list of persons newly designated to serve on the EIC and on various subcommittees was distributed before the meeting.

OTHER ITEMS

13. Discussion:

a. Mr. Doherty of State Department commented on EIC-WP-3, "Surplus or Deficit Position of Various Countries in Major Agricultural Commodities Available for Export from the United States". He indicated that in his opinion a paper on this subject ought not to have been prepared in the intelligence community, and that no support was offered in the paper for the statement that certain agricultural commodities "... could be made available, if desired, in sufficient quantities to be potentially

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important economic or psychological factors in the struggle between the Soviet Bloc and the Free World". He maintained further that the "adequacy of supply in Bloc and non-Bloc countries" of individual commodities, as presented in the report, is not meaningful, and that only in the context of the over-all balance of food in each country does the adequacy of supply of a given commodity have meaning.

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b. [REDACTED] stated that ONE is in process of writing terms of reference to cover a study on Soviet capabilities in guided missiles. He indicated that members of several EIC subcommittees would probably be involved, including Armaments, Electronics and Telecommunications, and Electric Power and Solid Fuels. [REDACTED] did not know whether the Economic Intelligence Committee itself would become involved. The Vice Chairman suggested that the EIC members check this matter with their agency representatives who attend ONE meetings.

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Acting Executive Secretary
Economic Intelligence Committee

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